

17th November 2023

Non-financial sector debt ratios - International comparisons • 2023 Q2

Private and public debt ratios continue to fall back as a percentage of GDP in 2023 Q2, but debt levels remain high, particularly in France

Non-financial private sector debt ratio (in % of GDP)

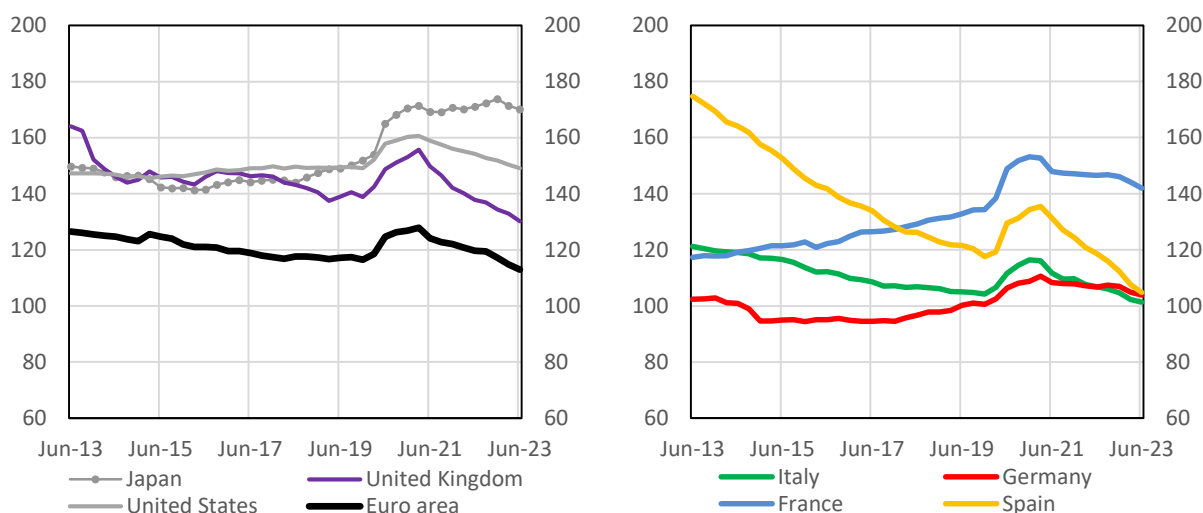
In the second quarter of 2023, the non-financial private sector debt ratio falls again compared with the previous quarter in the four zones (USA, Japan, euro area and UK).

This ratio stands at 112.9 % of GDP in the euro area, and its decrease (-1.9 point of GDP compared to 2023 Q1) is due to nominal GDP growth, as the amount of debt of households and non-financial corporations has continued to rise. Even if the private debt ratio decreases more sharply in France (-2.2 pp) than in Germany and Italy (respectively by -1.1 pp and -0.9 pp) in the second quarter of 2023, it remains, at 142 % of GDP, significantly higher than in the other major euro area economies. The household debt ratio still reaches 63.7 % of GDP in France, compared with 55.5 % in the euro area.

The gross debt ratio of French Non-Financial Corporations stands at 78.4 % of GDP, well above that of other major countries and the euro area average of 57.4 %. But the net debt of NFCs, i.e. gross debt less the treasury in the asset side, is much more contained, even if it remains slightly higher than in the largest European countries: 39.1 % in France compared to 36.4 % in Italy, 33.7 % in Germany and 30.1 % in Spain (29.5 % on average in the euro area).

Non-financial private sector debt (in % of GDP)

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
United States	154,3	152,8	151,9	150,4	149,1
Japan	171,1	172,3	173,8	171,4	170,1
Euro area	119,7	119,4	117,1	114,8	112,9
o/w Germany	106,7	107,4	106,9	105,0	103,9
France	146,5	146,8	146,1	144,2	142,0
Italy	106,8	106,0	104,7	102,3	101,4
Spain	118,7	116,0	112,4	107,7	104,8
United Kingdom	137,8	136,9	134,4	132,9	130,1





Households debt ratio (in % of GDP and in % of GDI)

	Households debt				
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
United States	103,8	103,1	102,6	101,3	100,5
	134,3	135,3	135,8	133,7	132,1
Japan	68,1	68,1	68,4	68,0	67,5
	115,7	115,9	116,3	116,7	115,4
Euro area	58,7	58,2	57,4	56,3	55,5
	96,2	95,5	94,1	92,1	90,6
o/w Germany	55,6	55,6	55,0	54,2	53,5
	90,7	89,9	88,5	86,9	85,6
France	65,4	65,4	65,1	64,7	63,7
	102,0	101,9	101,0	99,9	97,9
Italy	41,7	41,4	40,9	40,1	39,6
	63,4	63,0	62,1	60,8	60,0
Spain	55,6	53,7	52,3	50,4	49,9
	87,9	86,3	84,6	81,6	79,9
United Kingdom	83,7	83,0	82,2	80,8	79,5
	131,1	130,7	128,5	125,9	123,3

Non-financial corporations debt ratio (in % of GDP)

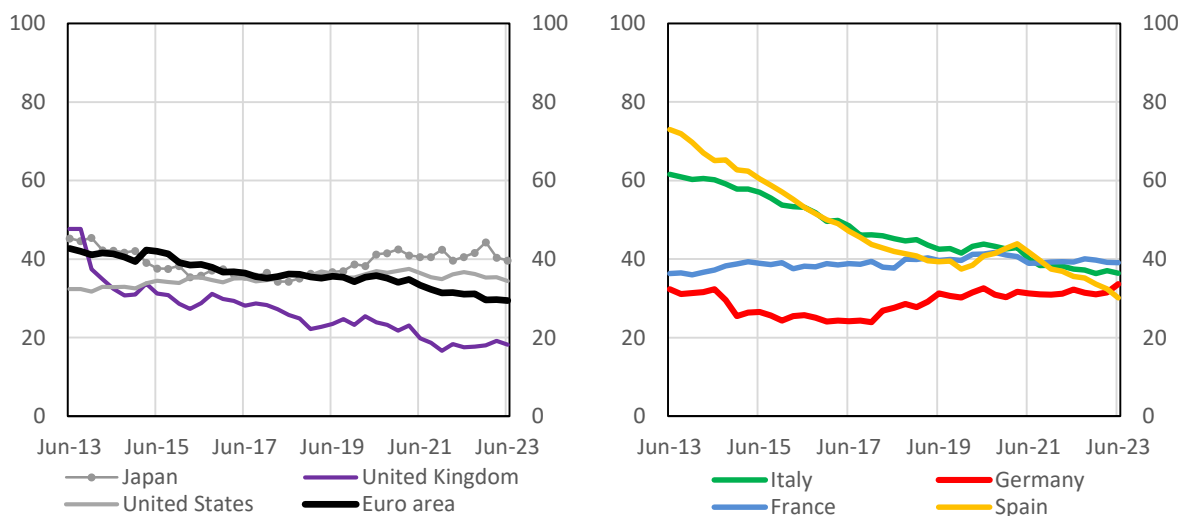
	Non-financial corporations debt (in % of GDP)				
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
United States	50,5	49,7	49,3	49,1	48,5
Japan	103,0	104,2	105,4	103,4	102,6
Euro area	61,0	61,2	59,8	58,5	57,4
o/w Germany	51,1	51,9	52,0	50,8	50,4
France	81,1	81,4	81,0	79,5	78,4
Italy	65,2	64,6	63,8	62,2	61,8
Spain	63,1	62,4	60,1	57,3	55,0
United Kingdom	54,1	53,9	52,2	52,1	50,6

Source: Quarterly national financial accounts and Eurostat, Computation: Banque de France



Net cash debt ratio of non-financial corporations (in % of GDP)

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
United States	36,7	36,2	35,3	35,4	34,4
Japan	40,5	41,6	44,3	40,4	39,7
Euro area	31,1	31,1	29,6	29,7	29,5
o/w Germany	32,3	31,4	31,1	31,5	33,7
France	39,2	40,0	39,7	39,2	39,1
Italy	37,4	37,2	36,3	37,0	36,4
Spain	35,6	35,2	33,6	32,4	30,1
United Kingdom	17,6	17,7	18,0	19,2	18,2





General government sector debt ratio (in % of GDP)

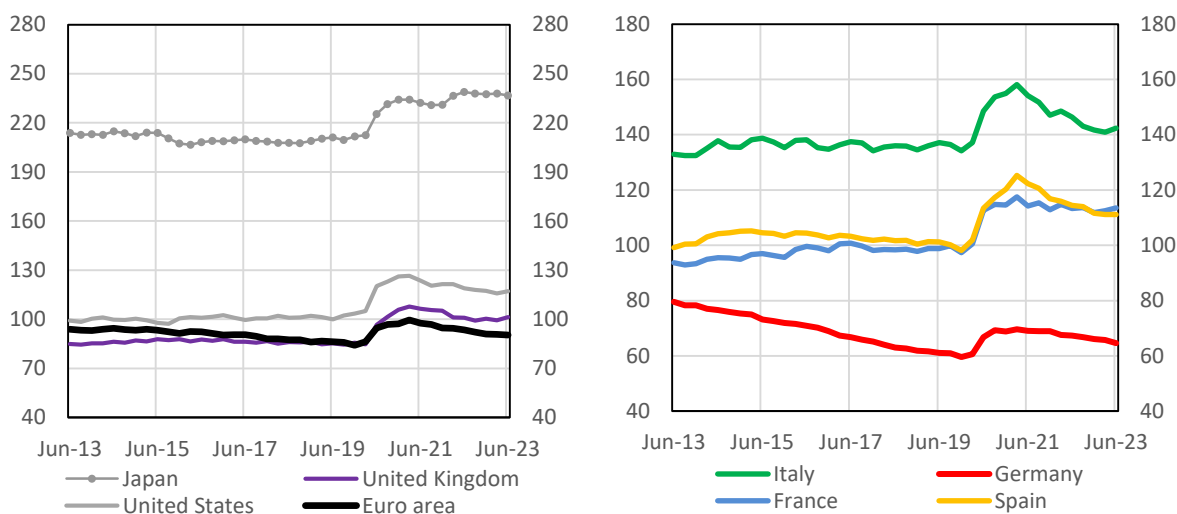
In the euro area, the average general government debt ratio as defined by Maastricht Treaty decreases by 0.4 point in 2023 Q2 and reaches 90.3 % of GDP. The public debt ratio falls in Germany (- 1.1 point), is stable in Spain and rises sharply in Italy (+ 1.5 point). In France, public debt as defined by Maastricht Treaty increases by 34.5 billion €. As a percentage of GDP, debt rises by 1 percentage point, despite the rise of the rolling four quarters GDP, to 113.5%.

Outside the euro area, the public debt ratio decreases in Japan (- 1.2 point) but rises in the United States (+ 1.4 point) and more sharply in the United Kingdom (+ 1.8 point).

Government sector debt (in % of GDP)

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
United States	118,9	118,0	117,3	115,8	117,2
Japan	238,8	237,8	237,5	237,9	236,7
Euro area	93,5	92,2	90,9	90,7	90,3
o/w Germany	67,4	66,8	66,1	65,7	64,6
France	113,3	113,6	111,8	112,5	113,5
Italy	146,4	143,1	141,7	140,9	142,4
Spain	114,5	114,0	111,6	111,2	111,2
United Kingdom	101,0	99,1	100,4	99,4	101,2

* "Maastricht" definition NSA (nominal value) for European Union countries.



Additional information

For each sector (NFC, Households and General government), the French debt includes outstanding loans from resident and non-resident MFI (i.e. both loans between resident NFCs and between non-resident NFCs are excluded) and issued securities other than shares at nominal value.

Disseminated data of other countries are less detailed. NFC's net loans are therefore estimated in withdrawing loans assets - mainly loans to resident and non-resident affiliated entities - from loans liabilities.



Breakdown of the change in the ratio of the Households debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	-0.7	0.7	-1.5
Japan	-0.5	0.4	-0.8
Euro area	-0.7	0.2	-0.9
o/w Germany	-0.7	0.1	-0.8
France	-1.0	0.1	-1.1
Italy	-0.5	-0.1	-0.4
Spain	-0.5	0.5	-1.1
United Kingdom	-1.3	0.4	-1.6

Breakdown of the change in the ratio of the Non-financial corporations debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	-0.6	0.1	-0.7
Japan	-0.8	0.5	-1.3
Euro area	-1.1	-0.2	-1.0
o/w Germany	-0.4	0.4	-0.8
France	-1.1	0.2	-1.4
Italy	-0.4	0.2	-0.6
Spain	-2.3	-1.2	-1.2
United Kingdom	-1.5	-0.5	-1.0

Breakdown of the change in the ratio of the General government sector debt ratio

(in % points of GDP)

	<i>Change in the ratio</i>	<i>Debt change Effect</i>	<i>Nominal GDP change Effect</i>
United States	1.4	3.1	-1.7
Japan	-1.2	1.8	-3.0
Euro area	-0.4	1.0	-1.4
o/w Germany	-1.1	0.0	-1.1
France	1.0	1.3	-0.3
Italy	1.5	2.9	-1.4
Spain	0.0	2.4	-2.4
United Kingdom	1.8	3.9	-2.1

